

Exhibit 6A

Expert Report of John Hill

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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	:	
In re	:	Chapter 9
	:	
CITY OF DETROIT, MICHIGAN,	:	Case No. 13-53846
	:	
Debtor.	:	Hon. Steven W. Rhodes
	:	
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EXPERT REPORT OF JOHN HILL

Pursuant to Federal Rule of Civil Procedure 26(a)(2)(B), made applicable to this proceeding by Federal Rule of Bankruptcy Procedure 7026, the City of Detroit (the “City” or “Detroit”) submits this report regarding the anticipated expert testimony of John Hill in support of the City’s Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014) (Docket No. 4392) (the “Plan”).

I. INTRODUCTION

1. John Hill is the Chief Financial Officer (“CFO”) for the City, appointed by the City’s Emergency Manager (the “EM”) in November 2013. Mr. Hill reports directly to the EM and oversees a staff of over 250. Mr. Hill also

coordinates with, among others, the City's financial and operational restructuring advisors, Ernst & Young LLP ("EY") and Conway MacKenzie, Inc. ("Conway").

2. As CFO, Mr. Hill manages and controls all financial and budgetary aspects of the City. Moreover, as required by section 2.2(a) of the April 10, 2012, Financial Stability Agreement between the State of Michigan and the City, Mr. Hill is in the process of establishing the Office of the Chief Financial Officer within the government to advise the EM and Mayor "on all strategic and tactical matters as they relate to budget management, fiscal management, financial reporting, cost benefit analysis, forecasting needs, the securing of new funding, and adherence to the Budget and the Triennial Budget." Mr. Hill is also in the midst of implementing (i) the City's new financial management systems and (ii) certain of the restructuring and reinvestment initiatives proposed in the Plan. Mr. Hill is also responsible for providing Mayor Duggan with any financial data he needs to make or support operational decisions for the City.

3. It is the City's intention to call Mr. Hill to testify about the City's revenues, forecasts of certain of its expenses, and its ability to pay for the restructuring and reinvestment programs contemplated in the Plan and related Disclosure Statement. *See* Fourth Amended Disclosure Statement with respect to the Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 4391) (the "Disclosure Statement").

II. OPINIONS

A. Revenue Forecasts

4. For City FY 2014 through 2016, the City is projected to have revenues as set forth on page 3 of 14 (POA00318656) of the Revenue Consensus Conference Report, dated March 18, 2014, attached as Exhibit 1 hereto.

5. The assumptions underlying the Revenue Consensus Conference Report are reasonable.

6. These estimates are consistent with the baseline scenario revenue projections made by EY for those years, as set forth in Exhibit J to the Disclosure Statement, as updated. *See* July 2, 2014 update at POA 00706519 – 706600 (Ten-Year Financial Projections).

i. Methodology

7. In reaching his opinions, Mr. Hill used the following methodology:

(a) Between November 2013 and January 2014, Mr. Hill along with the Directors of the City's Finance Department, Budget Department, Office of the Auditor General, and City Council Legislative Division, and their various staff members (collectively, the "Conference Participants") met to discuss and project the City's revenues for FY 2014, 2015, and 2016.

- First, the Conference Participants considered economic forecasts for the City, State and nation, as presented by Dr. Eric Scorsone of Michigan State University. This data primarily focused on wage and salary growth factors, real gross domestic product, unemployment rates,

and the consumer price index for the United States and the City. The Conference Participants also considered the City's past revenue trends and collection rates in addition to comparisons of past actual revenues versus projections. *See* Exhibit 2 at pp. 4 – 9; POA 00002045 - 2050.

- Second, each Conference Participant independently from each other and from EY projected the City's five primary General Fund revenue streams: (i) income taxes, (ii) property taxes, (iii) state revenue sharing; (iv) casino wagering taxes, and (v) utility users taxes (collectively, the "Primary Revenue Streams"). As shown in Exhibit 2 at pp. 4 – 9; POA 00002045 - 2050, each Conference Participant used a different methodology for projecting each Primary Revenue Stream.
- Third, during the meetings between November 2013 and February 2014, the Conference Participants discussed non-Primary Revenue Streams, consisting of (i) departmental revenues resulting from sales and charges for services and (ii) revenues from enterprise funds that have an impact on the City's General Fund revenue, such as the Detroit City Airport, the City's Building, Safety, Engineering and Environmental Department, the Detroit Department of Transportation, and municipal parking.¹
- Other significant assumptions underlying each revenue stream in the Revenue Consensus

¹ Conference Participants did not project revenues derived as a result of the proposed restructuring and reinvestment initiatives. They also omitted from this analysis, among other things, non-General Fund grant revenues, unlimited tax general obligation bonds millage revenues and proceeds from bond sales.

Report are detailed in the February 19, 2014, City of Detroit Comparison of Assumptions, Revenue Consensus and Plan of Adjustment. See POA 00002054 - 2056.

- (b) On February 7, 2014, the Conference Participants unanimously approved the “Revenue Consensus Conference Report” and submitted it to the Finance Committee of the Financial Advisory Board (“FAB”) for its review and consideration. A copy of these materials are available at POA 00002042 – 2052; 2053; 2054 – 2056; 2057 – 2059; 2060; 2061 – 2073; 2074 – 2077.
- (c) On February 27, 2014, the FAB Finance Committee unanimously approved the Revenue Consensus Conference Report and transmitted it to the full FAB for its review and consideration.
- (d) On March 18, 2014, the full FAB unanimously approved the Revenue Consensus Conference Report, a copy of which is attached hereto as Exhibit 1, POA 00318653 - 318667.

B. Restructuring and Reinvestment Initiatives

8. Certain of the restructuring and reinvestment initiatives are likely to increase the revenues the City receives in the coming years. In particular, over the course of the next ten years, the City expects to generate additional net revenue of over \$250 million from restructuring and reinvestment initiatives such as:

- (i) improved collections and improved past-due collections from the 36th District Court (approximately \$76 million after approximately \$2.8 million in costs); (ii) increased collections from additional Fire Marshall inspections and EMS fleet (approximately \$23.5 million after approximately \$10.2 million in costs); and (iii)

tax and other revenue collection enhancements within the Finance Department (approximately \$43 million after approximately \$4.5 million in costs). The July 2, 2014, revised projections, available at POA 00706519 – 706600 (Ten-Year Financial Projections); POA 00706603 – 706611 (40-Year Projections); POA 00706449 – 00706518 (Ten-Year Plan of Adjustment Restructuring and Reinvestment Initiatives), reflect reasonable expense projections and assumptions regarding the additional revenues the City should receive from these restructuring and reinvestment initiatives.

9. Certain of the restructuring and reinvestment initiatives are also likely to reduce the City's operational expenses in the next ten years. In particular, over the course of the next ten years, the City expects to realize net expense reductions of over \$250 million in cost savings from restructuring and reinvestment initiatives such as greater efficiencies from training and other employee related costs associated with the Detroit Fire Department (approximately \$34.9 million in savings after \$25.8 million in costs) and process related enhancements, consolidation of vendors, and other purchasing division restructuring initiatives within the Finance Department (approximately \$30.3 million in savings after \$5.7 million in costs). The July 2, 2014, revised projections, available at POA 00706519 – 706600 (Ten-Year Financial Projections); POA 00706603 – 706611 (40-Year Projections); POA 00706449 – 00706518 (Ten-Year Plan of Adjustment

Restructuring and Reinvestment Initiatives), reflect reasonable cost saving projections and assumptions regarding the reduced expenses the City should achieve as a result of these restructuring and reinvestment initiatives.

10. The City is likely to implement these restructuring and reinvestment initiatives on a schedule that would result in these additional revenues and reduced operating expenses in the amounts and in the FY as reflected in the July 2, 2014, revised projections, available at POA 00706519 – 706600 (Ten-Year Financial Projections); POA 00706603 – 706611 (40-Year Projections); POA 00706449 – 00706518 (Ten-Year Plan of Adjustment Restructuring and Reinvestment Initiatives). To the extent there will be deferrals of any restructuring and reinvestment initiatives, these deferrals will not materially change the additional revenue and cost savings associated with the restructuring and reinvestment initiatives.

C. Accrued Pension Liabilities

11. Mr. Hill also analyzed the financial ability of the City to fund the accrued pension liabilities of Detroit Police & Fire Retirement System (“PFRS”) and Detroit General Retirement System (“GRS”). Unlike other municipalities, the City’s financial resources in the coming years are likely to remain constrained and the City will not be in a position to take risks that more financially sound municipalities could potentially take. In other words, the City probably will not

be able to adjust its budget to meet unanticipated annual pension funding contributions. The City would be required to make such unanticipated contributions every time PFRS and GRS investment returns fall short of the investment return assumptions. Consequently, it is important that the PFRS and GRS pension funding assumptions be set at consistently attainable levels.

III. DOCUMENTS AND OTHER MATERIALS CONSIDERED IN FORMING THE OPINIONS IN THIS EXPERT REPORT

12. Attached as Exhibit 3 is a list of the materials Mr. Hill considered in reaching his opinion. Mr. Hill also considered discussions he had with City employees and elected officials, as well as the City's third-party consultants and contractors, including EY and Conway. The information in this report is presented as of the date of this report and is based upon projections contained within the Disclosure Statement, as such were updated on July 2, 2014, and are available at POA 00706519 – 706600 (Ten-Year Financial Projections); POA 00706603 – 706611 (40-Year Projections); POA 00706449 – 00706518 (Ten-Year Plan of Adjustment Restructuring and Reinvestment Initiatives).

IV. QUALIFICATIONS

13. Mr. Hill holds a B.S. in Accounting from the University of Maryland. In 1977, Mr. Hill became a Certified Public Accountant. Significantly, from June 1995 through April 1999, Mr. Hill served as the Executive Director of the District

of Columbia Financial Responsibility and Management Assistance Authority.

Attached as Exhibit 4 is the most recent copy of Mr. Hill's curriculum vitae.

V. BASIS OF COMPENSATION

14. Mr. Hill is not separately compensated by the City for this Expert Report or the opinions expressed herein. The only compensation the Mr. Hill receives from the City is for his work as the CFO, which is based on a non-employment, personal services contract.

Date: 7/8/14



John Hill
Chief Financial Officer
City of Detroit, Michigan

Exhibit 1

(Revenue Consensus Conference Report Dated March 18, 2014 –
POA00318653 - 318667)

CITY OF
DETROIT



REVENUE CONSENSUS CONFERENCE REPORT

MARCH 18, 2014

Revenue Consensus Conference - Final Report

March 2014

The Directors of the City of Detroit Finance Department, Budget Department, Office of the Auditor General and City Council Legislative Division (formerly Fiscal Analysis) met in October 2013 and again in January 2014 to discuss the City's revenue collections for the current fiscal year and estimate collections for the next two fiscal years. FY 2014 Revenue Estimating Conference was held on February 7, 2014 where participants unanimously approved revenue estimates for FY 2014, FY 2015 and FY 2016. Conference results were submitted to and subsequently approved by the Financial Advisory Board Finance Committee on February 27, 2014.

The conference began with a discussion of economic conditions that impact the City of Detroit revenues presented by Dr. Eric Scorsone, of Michigan State University.

Economic Forecast

City of Detroit revenues will be partially tied to local, state and national economic conditions that prevail both now and in the future. The city income tax and wagering tax would be particularly susceptible, both positively and negatively, to changing economic conditions. This summary will provide a current rundown on economic conditions at the local and national level.

The U.S. economy has continued to grow for the last few years, albeit at a slower pace than expected following a recession. The main reason cited for this slow growth is the continuing drag from the financial crisis of 2008. In 2013, GDP growth was slower (1.9%) as compared to 2012 (2.8%). The big reason for this slowdown was a decrease in business investment and federal government spending. There is a reason to be more optimistic in 2014 as the federal government appears to be on more stable footing and business investment has shown signs of picking up again. GDP growth will likely look more like 2012 than 2013 in the coming year.

Employment conditions continue to slowly improve, but there still remain a significant number of long term unemployed in the workforce following the Great Recession. Weekly initial unemployment claims have fallen to close to the long term average of 300,000 and the national unemployment rate continued to creep down now standing at 6.7% according to the U.S. Bureau of Labor Statistics. While still high by historic averages, there are signs that the labor market is looking stronger more recently. This translates into some positive momentum for a city like Detroit who baseline economy now looks more like the nation as a whole being dominated by service industries¹.

Inflation will likely remain low across the country as there remains slack in both business capacity and the labor market. Core inflation is running at about the 1.6% mark in January 2014 and will likely remain at that level or perhaps slightly higher for the rest of 2014.

¹ Detroit service industries have experienced weaker growth than the nation as a whole but the general industrial makeup of the city looks more like the United States than Michigan.

Most of the major economic statistics are not collected at the city level for a place like Detroit, MI. unemployment information and data is collected for the city of Detroit, MI. Looking at this figure, the current estimated city unemployment rate is 14.6% as estimated by the U.S. Bureau of Labor Statistics. This is down from an estimated rate of nearly 25% in 2009. Along with national trends, it is expected that the Detroit unemployment rate will continue to fall slowly over 2014 providing a boost to income tax revenues and perhaps other revenue sources. Investment in downtown Detroit will also likely provide an overall employment growth in the city in 2014.

Conference Results

The Consensus estimate for General Fund revenues from ongoing sources for FY 2014 is \$958.5 million, an \$88.6 million or 8.5% decrease from FY 2013 collections. This variance was primarily due to bond proceeds recorded in FY 2013.

- This decrease reflects anticipated increased collections in income Tax, and State Revenue Sharing that are offset by decreased collections in Property Taxes, Utility Users' Taxes, and Other General Fund revenues.
- Sales of Real Property revenues were reported separately in the previous 2013 Revenue Conference; however this amount represents less than 1% of the General Fund revenues. For this conference, Sales of Real Property is included in the Other Revenues category.
- Other General Fund revenues are generated from city departments and other miscellaneous sources. Other revenues are expected to decrease by \$59.0 million over FY 2013 actual collections. Decreased revenues are anticipated from the Fire Department receivables; DPW/General Services due to outsourcing; Health from the transfer of Vital Records operations to Wayne County; reimbursement revenues; and the elimination of distribution services in the Public Lighting Department.

The Consensus estimate for General Fund revenues from ongoing sources for FY 2015 is \$955.8 million, a \$2.7 million decrease (less than 1% change) from the FY 2014 revised Consensus estimate. This decrease reflects increases in Income Tax and State Revenue Sharing collections that are offset by decreased collections in Wagering Taxes (Casinos), Property Tax, Utility Users Taxes and Other General Fund revenues. Similar factors contribute to the decline in revenues as projected for FY 2015 compared to the FY 2014 estimate.

The initial Consensus estimate for General Fund revenues from ongoing sources for FY 2016 is \$958.6 million, a \$2.8 million increase (less than 1% change) from the FY 2015 revised Consensus estimate. The initial projection for FY 2016 reflects continued growth in Income Tax and State Revenue Sharing collections. An up-tick in Wagering Taxes (Casinos) and Other General Fund revenues is forecasted. Property Taxes and Utility Users Taxes continue in a downward trend.

REVENUE ESTIMATE COMPARISON & CONSENSUS AGREEMENT
FY2014 CONSENSUS REVENUE ESTIMATING CONFERENCE

	FY 2012	June 30, 2013	FY 2014	FY 2014	FY 2015	FY 2016
\$ in millions	Actuals- CAFR	Actuals- Unaudited	Revised Adopted Budget	Revised Consensus Estimate	Consensus Projection	Consensus Projection
Income Tax	\$ 233.0	\$ 248.0	\$ 257.2	\$ 250.0	\$ 250.3	\$ 262.1
Property Tax	147.8	133.6	116.6	110.2	100.0	80.0
Utility Users' Tax	39.8	35.3	34.2	32.1	29.5	28.0
Wagering Tax	181.4	174.6	170.0	170.0	168.0	170.5
State Rev. Sharing	172.7	182.2	183.7	180.2	184.0	187.9
Sale of Real Prop.	(1.8)	7.7	-	-	-	-
Other Revenues	231.6	265.7	234.6	206.0	206.0	210.1
Total Fund 1000	\$ 1,004.5	\$ 1,047.1	\$ 996.3	\$ 958.5	\$ 955.8	\$ 958.6

Note: General Fund Totals exclude Pension Obligation Certificates (POC's) revenues of \$112,361,241 for FY 2014- included in revenues due to debt covenants. Wagering Tax revenues include revenues per the casino operating agreements. For FY 2014 Consensus conference, Sale of Real Property totals are included in Other Revenues totals for FY 2014- FY 2016

REVENUES FOR CONSIDERATION

The City of Detroit has five major revenues that represent over 60% of General Fund revenues: Income Tax, Property Tax, State Revenue Sharing, Wagering Tax (Casinos) and Utility Users' Tax revenues. The first step of the conference participants was to estimate these revenues for the current Fiscal year 2014, project revenues for Fiscal year 2015 and 2016. Using financial system reports (DRMS), department sub-ledger reports, current operational analysis and local economic data, the participants individually determined their forecasts. All other revenues of the General Fund were discussed in conference, primarily consisting of departmental revenues resulting from Sales and Charges for Services. Revenues from funds that have a General Fund impact were also considered. Other Non-General Fund- Enterprise Agencies considered were those that have a General Fund subsidy, contribution, advance, or current General Fund operations. A review of revenues was conducted for the following Enterprise agencies: Airport, Building and Safety, DDOT, and Municipal Parking. Also, reviewed were the Risk Management and the Solid Waste Funds. Several meetings were held to review the forecasts and reach a consensus. The Consensus Estimates presented in this report do not include any departmental revenue initiatives or restructuring initiatives currently under discussion. Non-General Fund Grant Revenues; Unlimited Tax General Obligation Bonds millage revenues and proceeds from bond sales are not included in the Consensus Estimates/Projections presented in this report.

Income Tax

As authorized under Public Act 284 of 1964, as amended by PA 56 of 2011 and again in 2012, the City of Detroit levies an Income Tax on income from all sources with minimum exemptions. Income Tax revenue includes withholding, annual and quarterly payments. More than 80% of income tax actual collections are derived from withholdings. The current tax rate is 2.4% for residents, 1.2% for non-residents and 2.0% for corporations. In December 2012 State legislation establishing the Public Lighting Authority was passed that provided for funding of \$12.5 million to the Authority and fixed income tax rates at 2.4% (residents) until the repayment of any debt issued by the Authority.

- FY 2013 Initial Consensus estimate reflect a 0.8% growth rate over FY 2012 actual collections. Final 2013 year-end results were \$13 million over the FY 2013 consensus estimate or 6.4%.
- The FY 2014 Consensus estimate eliminated one time revenue collection initiatives- an income tax amnesty which generated \$4 million and enhanced collection efforts from 2013 income tax totals.
- FY 2015 Consensus estimate incorporates a 2.5% growth rate and 2.25% rate for FY 2016.
- The FY 2014 Consensus estimate reflects improved local economic conditions based upon blue chip economic forecasts as presented by Dr. Eric Scorsone, Faculty Member and Workgroup Leader, Michigan State University Department of Agricultural, Food and Resource Economics and MSU Extension.

State Revenue Sharing

Revenue Sharing payments from the State are based upon two elements. Constitutional payments are guaranteed under the State Constitution and calculated as 15% of 4% of the State Sales Tax gross collections. Statutory payments are based upon municipalities meeting the requirements of the Economic Vitality Incentive Program. For FY 2013, the maximum amount available is 76.18459% of the FY 2010 total statutory payment (if a municipality complies with all requirements).

- The FY 2013 estimate was based on current State Revenue Sharing payments projected by the Michigan Department of Treasury. Final year-end payments were \$5.7 million higher than the consensus estimate and 5.5% higher than FY 2012 collections. Treasury payments are based on the State of Michigan May 2013 Consensus Revenue Estimates and FY 2014 appropriation. These amounts were updated for the State's January 2014 Consensus Revenue Estimates.
- Economic projections from Dr. Eric Scorsone indicate improved State Sales Tax collections.
- Budget estimates for FY 2014 include a 2.25% growth rate. No further change is projected for FY 2015 or FY 2016.

- The Governor's recently released State of Michigan FY 2015 Executive Budget proposed a \$5.56 million or 2.9 % increase to cities, villages and townships local share amount. This increase was not included in the FY 2015 consensus estimate.

Wagering Taxes (Casino Revenues)

The City is authorized to levy a tax on the adjusted gross receipts of a gaming licensee under Initiated Law 1 of 1996, as Amended by Public Act 306 of 2004. The current tax rate in effect is 10.9% for the three casinos operating in Detroit. The City receives additional revenues from the casinos as specified in the casinos' operating agreements.

- Wagering Tax estimates recognize downward pressure on revenues resulting from the opening of four casinos in Ohio by the end of 2013. Although Detroit's casino revenues did not decline to levels previously speculated by some, we anticipate a continued downward pressure on revenues in FY 2014.
- FY 2013 Consensus estimate resulted in a \$1.4 million decrease over FY 2013 year-end results and a -3.8% change compared to FY 2012 collections. FY 2014 Consensus estimate remains flat with an additional decline of 1.2% projected for FY 2015. A turnaround is expected in FY 2016 with the Consensus projecting 1.5% growth.

Current Property Taxes

Article IX of the State Constitution, Sections 3 and 6 (General Property Tax) authorize the levy of taxes on real and personal property not otherwise exempted. The City currently levies the maximum tax permitted by law.

- The FY 2014 estimate assumes a 17.5% decline in collections compared to FY 2013 results. Current collection activity is estimated to decrease by \$23.4 million compared to FY 2013 collections.
- Although FY 2013 collections ended \$10.4 million higher than the Consensus estimate, this still represents a -9.6% year-over-year decline in property tax collections.
- Preliminary discussions on the Ad Valorem valuations for FY 2015 and FY 2016 indicate a continuing decline in taxable values at the same rate experienced in FY 2013. The estimated decrease in property tax collection for FY 2015 and FY 2016 is -10%. This chronic state of decline in assessed values is expected continue beyond 2016.

- Future actions that will negatively impact valuations in the near future include a State of Michigan review, sales study conducted by the City's Assessor and the City's on-going reassessment process.

Utility Users' Tax

The City of Detroit levies a Utility Users' Tax as permitted under Public Act 100 of 1990 and as amended in 2012. The tax is based on consumption of electricity, gas, steam and telephone (land lines) in the City of Detroit. The City currently levies the maximum tax rate of 5%. These revenues are restricted to retain or hire police officers. In 2012, the law was amended to provide \$12.5 million annually for the Public Lighting Authority for the repayment of future debt, which represents proceeds used for street light infrastructure improvements in the City.

- FY 2013 collections resulted in a year-over-year decline of -11.4%.
- Consensus estimate for FY 2014 reflect an additional 9.1% decline in Utility User's collections.
- We estimate for both FY 2015 and FY 2016 a similar rate of decline.
- Estimates/projections were determined exclusive of the \$12.5 million annual transfer to the Public Lighting Authority as mandated by state law, which represent proceeds used for street light infrastructure improvements in the City.

Sale of Real Property

Revenues from the City's sale of real property were reported separately in the FY 2013 Revenue Consensus Conference. For the FY 2014 Revenue Conference, this revenue is included in the Other General Fund Revenues category.

- Year-end results for FY 2013 were \$6.4 million higher the consensus estimate.
- Negative revenue was recorded for FY 2012 due to year-end adjustments for refundable deposits. The estimate for FY 2013 assumed similar collection trends. The Fire Department Headquarters building was sold in FY 2013 contributing to higher fiscal year collections. The sale of the Veterans Memorial Building is expected in FY 2014; \$4.1 million was included in the budget and consensus estimate for this sale.
- No additional large property sales are assumed for FY 2015 or FY 2016.

All Other General Fund Revenues

The following is a brief description of the types and sources of revenue that are included in each category shown in departmental budgets:

1. *Sales and Charges for Services* - Revenue generated from maintenance and construction, electrical, steam, solid waste, recreation, utilities, reimbursements, and other minor sales and service fees.
2. *Revenue From Use of Assets* - Earnings on investments, various interest earnings, building rentals, marina rentals, concessions, and equipment rentals.
3. *Other Taxes, Assessments, and Interest* - Special assessments, Industrial Facilities Taxes, other miscellaneous taxes and interest paid on delinquent property taxes.
4. *Fines, Forfeits, and Penalties* - Ordinance, court and parking fines, property tax penalties, and various fines, forfeits, and penalties.
5. *Licenses, Permits and Inspection Charges* - Various permits and licenses, safety inspection charges, and business licenses charges.
6. *Contributions, Transfers, and Miscellaneous* - Various revenues and contributions due to/or due from one fund resulting in revenues to one fund and an expenditure for another; also includes interest on the Pension Obligation Certificates. The double count of the Pension Obligation Certificates shown in the General Fund for debt covenant purposes was eliminated in the 2014 Revised Adopted Budget.

Departmental Revenue Analysis

The consensus for Other Department Revenues was developed with a discussion of the individual department revenues including departments with General Fund operations or departments receiving General Fund assistance. Our departmental analysis involved discussions with Ernst & Young on the baseline assumptions for each department as presented in the Plan of Adjustment and any adjustments to the baseline for restructuring initiatives as determined by Conway MacKenzie. The consensus was to exclude revenue initiatives from the consensus numbers presented in this conference estimates and projections. However, we have attached a separate report on the assumptions used for our consensus analysis compared to the Plan of Adjustment.

- Notable reductions occurred in revenue collections in the General Services, Health, Police and Fire departments, attributable to overly optimistic FY 2013 forecasts and the elimination of service.
- Public Lighting revenues were eliminated in the Consensus estimate for FY 2015 due to the city's decision to exit the power distribution business beginning March 2014 and the subsequent transfer of the customer base to DTE Energy.

At the official opening of the FY 2013 Revenue Estimating Conference on January 25, 2013, members of the Financial Advisory Board in attendance asked the estimating principals to review the departmental revenue estimates once more. On February 1, the principals convened and discussed alternative calculations by staff

of City Council and the Auditor General. Upon review and in consultation with Dr. Eric Scorsone, the total revenue estimate differed among the three estimators by less than 2% for FY 2013 and only 6% for FY 2014. The varying methodologies, which included a global analysis, a major revenue category analysis, and individual agency revenue account analyses, all utilized run rates and accounted for other known items that affect collections. The harmonization of estimates from these differing methodologies gives us tremendous confidence in the final estimate of departmental revenues. The FY 2014 conference continued this process of review for departmental revenues.

- The FY 2013 estimates range between \$271.4 million and \$275.0 million. We agreed on \$272.0 million. FY 2013 year-end results were \$273.4 million, inclusive of the sale of real property of \$7.7 million.
- The FY 2013 Conference Consensus estimate for FY 2014 ranged between \$254.5 million and \$270.0 million with agreement on \$265.0 million. This conference revised downward the FY 2014 projection to \$221.6 million.
- For this Consensus Conference: the revised FY 2014 estimate ranged between \$208.6 million and \$198.1 million with agreement on \$206.0 million. This conference revised downward the FY 2014 estimate by \$59 million.
- For this Consensus Conference: the revised FY 2015 estimate ranged between \$213.6 million and \$195.0 million with agreement on \$208.0 million. This conference revised downward the FY 2015 projection by \$57 million.
- For this Consensus Conference: the initial FY 2016 projection reached agreement on \$210.1 million based on anticipated growth rates or negative trend factors.

REVENUE ESTIMATE COMPARISON & CONSENSUS AGREEMENT
FY2014 CONSENSUS REVENUE ESTIMATING CONFERENCE
OTHER FUNDS WITH GENERAL FUND IMPACT

	June 30, 2013	FY 2014	FY 2014	FY 2015	FY 2016
	Actuals- Unaudited	Revised Adopted Budget	Consensus Estimate	Consensus Projection	Consensus Projection
<i>\$ in millions</i>					
Airport	\$ 3.2	\$ 1.3	\$ 1.3	\$ 1.5	\$ 1.5
* General Fund Subsidy		0.7	0.8	0.8	0.8
Building & Safety	\$ 28.1	\$ 23.1	\$ 23.0	\$ 24.5	\$ 25.1
* General Fund Operations		1.8	1.8	2.0	2.0
DDOT	\$ 155.3	\$ 156.4	\$ 165.0	\$ 165.0	\$ 165.0
* General Fund Subsidy		61.7	60.0	60.0	60.0
Municipal Parking	\$ 30.8	\$ 29.3	\$ 27.5	\$ 27.5	\$ 27.5
* General Fund Operations		11.4	10.4	10.4	10.4
* General Fund Advance		7.3	8.0	8.0	8.0
Risk Management	\$ 61.9	\$ 33.1	\$ 100.2	\$ 194.0	\$ 197.9
* General Fund Premium		19.4	39.0	39.0	39.0
Solid Waste Fund	\$ 38.2	\$ 41.4	\$ 39.0	\$ 39.0	\$ 39.0

Airport

The Coleman A. Young International Airport is an Enterprise Agency of the City of Detroit. Revenues from landing fees, rentals, fuel concessions and Federal/State grants maintain the operations of the airport. The Airport 2014 Budget includes a General Fund subsidy of \$623,545, which is expected to be paid. Consensus projections for FY 2015 and FY 2016 increase the subsidy to \$800,000 to recognize the most likely level of support from the General Fund based on historical trends.

Building & Safety

The Building & Safety Engineering and Environmental Department (BSEED) is an Enterprise Agency of the City of Detroit as mandated by state law. BSEED mission is to safeguard public health, safety and welfare by enforcing construction, property maintenance, environmental compliance and zoning codes. Revenues from the Construction Code Fund include civil infraction fines, safety inspection charges, construction inspections and other licenses, permits and inspection charges. Revenues generated in support of the General Fund operations are from the business licensing activity. General Fund revenues are expected to remain at their current levels (\$1.8 to \$2.0 million) for FY 2014 through FY 2016.

Transportation

The Detroit Department of Transportation (DDOT) is an Enterprise Agency that provides transit services to the City of Detroit. Revenues are generated from fare box, State operating assistance, State and Federal grants, subsidy from the General Fund and other miscellaneous revenues. The general fund subsidy for DDOT for FY 2014 was \$61.7 million. The consensus for FY 2015 and FY 2016 project the General Fund subsidy at \$80 million. This projected increase in the General Fund subsidy recognizes the City's true contribution level to DDOT operations. Without additional restructuring efforts, this level of General Fund support will continue for the foreseeable future. Revenue from the State operating assistance is expected to decline in FY 2014 and beyond due to a shift in the distribution formula. This shift resulted in a \$7 million decline in grant revenues in FY 2014.

Municipal Parking

The Municipal Parking Department is divided into two operations- the Parking Violation Bureau and the Automobile Parking and Area System. The Parking Violations Bureau is a General Fund operation responsible for enforcing on-street and off-street ordinances in the City of Detroit and the processing and collection of parking violation notices. Bond covenants required the General Fund to advance annually operating support to the Auto Parking System. The consensus is that the General Fund advance will continue at the \$8 million range for FY 2014 through FY 2016.

Risk Management Fund

The Risk Management Fund was established as a separate fund within the General Fund class to pay for liabilities to third parties for losses, damages, litigations and workers' compensation claims (self insurance). The Risk Management premiums are determined by calculating a five-year average of claims. Contributions to the Risk Management Fund are received from the General Fund (75%) and DDOT (25%). For FY 2014, the

General Fund contribution was reduced by \$20 million and utilized for other General Fund purposes as permitted under City ordinance. The consensus projection for FY 2015 and FY 2016 restores contributions back to historic levels.

Solid Waste Fund

The Solid Waste Management Fund is a Special Revenue Fund. The City of Detroit uses the Solid Waste Management Fund to account for local revenue collected for curbside rubbish pick-up and discard. The majority of the Solid Waste Management Fund revenue comes from the residential Solid Waste Fee that is assessed to every home whether or not currently occupied. The solid waste service fee replaced the 3-mill tax for solid waste collection that was eliminated in 2006. The solid waste fee is \$240 for single family homes and an additional \$100 for multi-family dwellings. Commercial fees are \$1,000.

- First-half collections compared to recent history indicate no change from the adopted budget. Projections assume continued collections rates for FY 2015 and FY 2016.
- The City decided to privatize the Solid Waste activity in FY 2014. Contracts were awarded to two companies to service the East and West side of the City on February 21, 2014. The outsourcing of this activity is expected to be revenue/cost neutral. However service is anticipated to greatly improve under this arrangement.

Set asides

The Consensus Revenue Estimate does not set-aside a deficit reduction reserve for FY 2014. However, the Plan of Adjustment includes a minimum required cash balance of \$100 million be maintained by the City annually for the period cover under the plan.

Risks to Forecast

These estimates take into account the expected real revenue to the City subject to certain inherent risks outlined below:

- Local economy contraction, increase in unemployment and continued layoffs in major industries.
- Rising interest rates.
- Rising inflationary pressures (from fuel, utilities, food, housing etc.).
- Michigan Sales Tax revenue declines.
- Risks to estimated Property Tax collections due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment.

- Continued property valuation declines and/or increased foreclosure activity.
- Anticipated reductions to Personal Property Tax collections.
- Declines in Sales and Charges for Services due to economic factors.
- Delayed results from restructuring efforts.
- Changes due to Bankruptcy proceedings.

Potential Upward Adjustments to Forecast

- Ongoing improvements to collection efforts in FY 2013 should net additional income tax revenues not currently reflected in the consensus estimates.
- Revenue initiatives in the Plan of Adjustment but not included in the Consensus estimates/projections may result in addition revenues if timely and successfully implemented.

Delinquent Receivables

For purposes of the Revenue Estimating Conference, the City of Detroit Finance Department- Treasury Division has deemed it prudent not to provide an estimate on the collection of delinquent Accounts Receivable (A/R) due to the following factors:

- The majority of City departments use billing systems other than DRMS A/R. As a result of decentralized billing, and a lack of resources to centralize/manually execute, the City does not possess clear visibility into total delinquent balances. Additionally, several current systems utilized for billing are not true financial management platforms and thus, produce suboptimal data for purposes of financial analysis.
- Department Sub-ledger data is not interfaced to the DRMS A/R module and as a result a potential for significant data integrity concerns (i.e. duplicate invoices, credit memo adjustments not reflected, etc.) exists. Properly cleansing the data to determine net realizable value will require additional resources not currently on hand.
- It is unclear whether departments depositing A/R receipts with Treasury are segregating current year collections from those for a prior year. As a result, a potential risk for double-counting an outstanding receivable balance exists without a clearer understanding of departmental delinquent balances by the Treasury Division.
- The majority of the DRMS A/R module balance is fully reserved as the City's external auditors have determined the balances owed are generally uncollectible.

The aforementioned concerns are addressed in the City's initial Plan of Adjustment. Assuming the current plan is ultimately adopted, the Treasury Division anticipates being in a much stronger position to provide meaningful delinquent collection estimates going forward as it will progressively have the proper resources to execute. However, as adoption of the proposed Plan of Adjustment is pending, the Treasury Division believes it best to not provide an estimate at this time.

The Directors of the City of Detroit Finance Department, Budget Department, Office of the Auditor General and City Council Fiscal Analysis Division held a Revenue Estimating Conference on January 25, 2013 and unanimously approved revenue estimates for FY 2012-13 and FY 2013-14. Conference results were submitted to and subsequently approved by the Financial Advisory Board in February 2013. The Consensus Revenue Estimates for the City of Detroit General Fund and the Solid Waste revenues are summarized below. This table was updated to compare June 30, 2013 year-end results to Consensus amounts.

REVENUE ESTIMATE COMPARISON & CONSENSUS AGREEMENT
FY2013 CONSENSUS REVENUE ESTIMATING CONFERENCE

	FY 2013	Results		Variance
		FY 2013	FY 2013	
	Amended Budget	Initial	Actuals-	
<i>\$ in millions</i>	(Unaudited)	Consensus	Unaudited	FY 13 Actuals
Income Tax	\$ 226.2	\$ 235.0	\$ 248.0	\$ 13.0
Property Tax	124.3	123.2	133.6	10.4
Utility Users' Tax	42.0	40.5	35.3	(5.2)
Wagering Tax	171.0	176.0	174.6	(1.4)
State Rev. Sharing	171.8	176.5	182.2	5.7
Sale of Real Prop.	2.2	1.3	7.7	6.4
Other Revenues	\$ 627.2	272.0	265.7	(6.3)
Total Fund 1000	\$ 1,363.7	\$ 1,024.5	\$ 1,047.1	\$ 22.6
Solid Waste Fees	\$ 38.2	\$ 39.0	\$ 38.2	\$ 0.8

Note: General Fund Totals exclude Pension Obligation Certificates (POC's) revenues of \$106,861,659 for FY 2013- amount included in revenues due to debt covenants. Wagering Tax revenues include revenues per the casino operating agreements. The FY 2013 Amended Budget for the Other Revenues category includes increases in State revenues (\$113.9 million) and other (miscellaneous) revenues (\$81.7 million).

Conference Participants

The revenue consensus participants would like to express our appreciation to the members of the Financial Advisory Board for their support.

John Hill, Chief Financial Officer

John Hageman, Assistant to the Chief Financial Officer

Mark Lockridge, Auditor General

Jeffrey Vedula, Office of the Auditor General, Audit Manager

Tony Smith, Office of the Auditor General, Sr. Auditor

Laura Goodspeed, Office of the Auditor General, Sr. Auditor

Brent Hartzell, former Interim Budget Director

Pamela Scales, Budget Director

Floyd Stanley, Deputy Budget Director

Renee Short, Budget Department, General Manager

Irvin Corley, Jr., City Council Legislative Policy Division, Executive Policy Manager (formerly Fiscal Analyst)

Jerry Pokorski, City Council Legislative Policy Division, Fiscal Analyst

John Naglick, Finance Director

Mike Jamison, Deputy Finance Director

Tanya Stoudemire, Finance Department, Income Tax Manager

Alvin Horhn, Finance Department, Assessment- Assessor

Leighton Duncan, Finance Department, Treasury- Project Manager

Dr. Eric Scorsone, Faculty Member and Workgroup Leader
Department of Agricultural, Food and Resource Economics and MSU Extension, Michigan State University

Roger Short, Office of the Chief Operating Officer

Shavi Sarna, Ernst & Young

Juan Santambrogio, Ernst & Young

Chris Gannon, Conway MacKenzie, Inc.

Emily McInain Petrovski- Conway MacKenzie, Inc.

Kevin Hand, Conway MacKenzie, Inc.

Todd Eddy, Conway MacKenzie, Inc.

Jeffrey Addison, Conway MacKenzie, Inc.

Exhibit 2

(Revenue Conference Worksheets – POA00002042 - 2052)

CITY OF DETROIT																					
Revenue Consensus Estimates and Projections																					
February 19, 2014																					
General Fund																					
		<u>Income Tax</u>		<u>State Revenue Sharing</u>		<u>Wagering Taxes</u>		<u>Current Property Taxes</u>		<u>Utility Users Tax</u>		<u>All Other GF Revenues</u>		<u>General Fund Total</u>							
June 30, 2013 Collections (per CAFR-draft)	\$	248,017,356		\$	182,261,947	\$	174,599,992	\$	133,580,492	\$	35,299,844	\$	273,363,537	\$	1,047,123,168						
FY 2013-14 BUDGET- Revised Adopted				\$	257,178,325	\$	183,677,124	\$	170,000,000	\$	116,651,272	\$	34,250,000	\$	234,567,721 (a)	\$	996,324,442 (a)				
<u>Participants FY 2014 Estimates (in millions)</u>																					
Auditor General	\$	254.0		\$	190.2	\$	170.2	\$	110.3	\$	31.3	\$	208.6	\$	964.6						
Budget	\$	250.0		\$	190.2	\$	170.0	\$	112.1	\$	35.0	\$	198.1	\$	955.4						
City Council Legislative (Fiscal Analyst)	\$	243.0		\$	190.2	\$	171.0	\$	108.2	\$	30.8	\$	202.5	\$	945.7						
<u>Participants FY 2015 Projections (in millions)</u>																					
Auditor General	\$	260.2		\$	191.3	\$	170.2	\$	101.3	\$	27.8	\$	213.6	\$	964.4						
Budget	\$	258.0		\$	191.0	\$	171.0	\$	97.5	\$	31.5	\$	195.0	\$	944.0						
City Council Legislative (Fiscal Analyst)	\$	248.0		\$	194.0	\$	162.4	\$	99.6	\$	29.2	\$	205.0	\$	938.2						
<u>FY 2014 through 2016 CONCENSUS ESTIMATES (in millions)</u>																					
FY 2014 Consensus Estimate	\$	250.0		\$	190.2	\$	170.0	\$	110.2	\$	32.1	\$	206.0	\$	958.5						
FY 2015 Consensus Projection	\$	256.3		\$	194.0	\$	168.0	\$	100.0	\$	29.5	\$	208.0	\$	955.8						
FY 2016 Consensus Projection	\$	262.1		\$	197.9	\$	170.5	\$	90.0	\$	28.0	\$	210.1	\$	958.6						
<u>FY 2014 through 2016 PLAN OF ADJUSTMENT (in millions)</u>																					
FY 2014 Plan of Adjustment	\$	246.4		\$	190.9	\$	169.9	\$	114.9	\$	37.0	\$	216.3	\$	975.4						
FY 2015 Plan of Adjustment	\$	250.4		\$	192.7	\$	168.2	\$	104.2	\$	37.0	\$	212.7	\$	965.2						
FY 2016 Plan of Adjustment	\$	252.1		\$	194.5	\$	169.9	\$	100.1	\$	37.0	\$	210.6	\$	964.2						
<u>Variance between Plan of Adjustment and Consensus Estimate/Projections</u>																					
		<u>Income Tax</u>		<u>State Revenue Sharing</u>		<u>Wagering Tax</u>		<u>Property Tax</u>		<u>Utility Users</u>		<u>All Other Revenues</u>		<u>Total General Fund</u>							
FY 2014	\$	(3.6)	-1.5%	\$	0.7	0.4%	\$	(0.1)	-0.1%	\$	4.7	4.1%	\$	4.9	13.2%	\$	16.9	1.7%			
FY 2015	\$	(5.9)	-2.4%	\$	(1.3)	-0.7%	\$	0.2	0.1%	\$	4.2	4.0%	\$	7.5	20.3%	\$	4.7	2.2%	\$	9.4	1.0%
FY 2016	\$	(10.0)	-4.0%	\$	(3.4)	-1.8%	\$	(0.6)	-0.4%	\$	10.1	9.7%	\$	9.0	24.3%	\$	0.5	0.2%	\$	5.6	0.6%

CITY OF DETROIT														
Revenue Consensus Estimates and Projections														
February 19, 2014														
General Fund														
		<u>Income Tax</u>		<u>State Revenue Sharing</u>		<u>Wagering Taxes</u>		<u>Current Property Taxes</u>		<u>Utility Users Tax</u>		<u>All Other GF Revenues</u>		<u>General Fund Total</u>
<u>Base</u>														
FY 2014 Plan of Adjustment		246.4		190.9		169.9		114.9		37		216.3		975.4
FY 2015 Plan of Adjustment		250.4		192.7		168.2		104.2		37		212.7		965.2
FY 2016 Plan of Adjustment		252.1		194.5		169.9		100.1		37		210.6		964.2
<u>Tax revenue restructuring</u>														
FY 2014 Plan of Adjustment		1.5						0.0		0.0				1.5
FY 2015 Plan of Adjustment		5.8						0.2		0.0				6.0
FY 2016 Plan of Adjustment		10.3						6.6		0.4				17.3
<u>Reinvestment</u>														
FY 2014 Plan of Adjustment		2.9										7.7		10.6
FY 2015 Plan of Adjustment		6.1										72.0		78.0
FY 2016 Plan of Adjustment		6.1										33.3		39.3

CITY OF DETROIT												
Revenue Consensus Estimates and Projections												
February 19, 2014												
Other Funds (with General Fund Impact)												
		Airport		Building & Safety		DDOT		Municipal Parking		Risk Management		Solid Waste Fund
June 30, 2013 Collections (per CAFR-draft)	\$	3,203,364	\$	28,116,344	\$	155,294,928	\$	30,767,997	\$	61,871,604	\$	38,183,282
FY 2013-14 BUDGET- Revised Adopted	\$	1,335,428	\$	23,053,722	\$	156,624,946	\$	29,348,868	\$	-	\$	41,437,110
From Enterprise Operations	\$	711,833	\$	21,238,722	\$	94,765,225	\$	10,723,880				
From General Fund Operations/Other			\$	1,815,000			\$	11,371,265	\$	13,694,755	\$	41,437,110
From General Fund Subsidy/Advance/Contributions	\$	623,595	\$	-	\$	61,659,751	\$	7,253,363	\$	19,426,000		
Total Revenues	\$	1,335,428	\$	23,053,722	\$	156,424,976	\$	29,348,508	\$	33,120,755	\$	41,437,110
Participants FY 2014 Estimates (in millions)												
Auditor General	\$	1.3	\$	23.1	\$	169.5	\$	28.1	\$	51.6	\$	41.4
-From Enterprise Operations	\$	0.7	\$	21.3	\$	83.5	\$	10.8	\$	12.9		
-From General Fund Operations/Other	\$	0.6	\$	1.8	\$	86.0	\$	10.4	\$	38.7		
-From General Fund-Parking Advance							\$	6.9				
Budget	\$	1.3	\$	23.0	\$	170.0	\$	28.5	\$	53.0	\$	38.0
-From Enterprise Operations	\$	0.7	\$	21.2	\$	90.0	\$	9.1	\$	13.3		
-From General Fund Operations/Other	\$	0.6	\$	1.8	\$	80.0	\$	10.4	\$	39.8		
-From General Fund-Parking Advance							\$	9.0				
City Council Legislative (Fiscal Analyst)	\$	1.3	\$	24.0	\$	172.5	\$	29.2	\$	54.2	\$	37.4
-From Enterprise Operations	\$	0.7	\$	22.0	\$	95.8	\$	10.3	\$	13.6		
-From General Fund Operations/Other	\$	0.6	\$	2.0	\$	76.7	\$	10.9	\$	40.7		
-From General Fund-Parking Advance							\$	8.0				
FY 2014-15 Projections (in millions)												
Auditor General	\$	1.5	\$	25.4	\$	168.5	\$	33.7	\$	51.1	\$	40.8
-From Enterprise Operations	\$	0.7	\$	23.4	\$	81.5	\$	16.4	\$	12.8		
-From General Fund Operations/Other	\$	0.8	\$	2.0	\$	87.0	\$	10.4	\$	38.3		
-From General Fund-Parking Advance							\$	6.9				
Budget	\$	1.5	\$	24.5	\$	174.0	\$	28.5	\$	53.0	\$	38.0
-From Enterprise Operations	\$	0.8	\$	22.5	\$	90.0	\$	9.1	\$	13.3		
-From General Fund Operations/Other	\$	0.7	\$	2.0	\$	84.0	\$	10.4	\$	39.8		
-From General Fund-Parking Advance							\$	9.0				
City Council Legislative (Fiscal Analyst)	\$	1.5	\$	24.0	\$	178.5	\$	29.2	\$	54.2	\$	37.4
-From Enterprise Operations	\$	0.7	\$	22.0	\$	101.8	\$	10.3	\$	13.6		
-From General Fund Operations/Other	\$	0.8	\$	2.0	\$	76.7	\$	10.9	\$	40.7		
-From General Fund-Parking Advance							\$	8.0				
FY 2014 Consensus Estimate (in millions)	\$	1.3	\$	23.0	\$	165.0	\$	27.5	\$	52.0	\$	39.0
-From General Fund Operations/Subsidy		0.8		1.8		80.0	\$	8.0				
FY 2015 Consensus Projection (in millions)	\$	1.5	\$	24.5	\$	165.0	\$	27.5	\$	52.0	\$	39.0
-From General Fund Operations/Subsidy		0.8		2.0		80.0	\$	8.0				
FY 2016 Consensus Projection (in millions)	\$	1.5	\$	25.1	\$	165.0	\$	27.5	\$	52.0	\$	39.0
-From General Fund Operations/Subsidy		0.8		2.0		80.0		8.0				

AUDITOR GENERAL									
Revenue Consensus Estimates and Projections									
GENERAL FUND									
	Income Tax	State Revenue Sharing	Wagering Taxes	Current Property Taxes	Utility Users Tax	All Other GF Revenues	GF Total		
FY 2014 Estimate	\$ 253,961,090	\$ 190,223,476	\$ 170,159,164	\$ 110,337,598	\$ 31,347,041	\$ 208,590,295	\$ 964,618,663		
FY 2015 Projection	\$ 260,169,437	\$ 191,301,900	\$ 170,159,164	\$ 101,277,454	\$ 27,836,864	\$ 213,642,364	\$ 964,387,183		
Methodology:									
	In deriving the estimates, the OAG considered data, information, and opinions provided by Michigan State University and City of Detroit personnel experienced with the City's income tax revenue. Both indicated that the City's income tax revenue will increase marginally in both fiscal years.	The FY 2013-14 amount was obtained from the Michigan Department of Treasury's website, based on the Treasury projection as of Jan. 10, 2014. FY 2014-15 is estimated at a 2% increase in the constitutional portion and a 3.6% increase in the portion based sales revenues, over the FY 2013-14 estimate.	The OAG considered Michigan State University's opinion that City will experience a small growth in casino revenue in FY 2013-14 & FY 2014-15 and examined casino revenue data for the last four completed fiscal years.	This estimate was derived by examining collection data for the last four completed fiscal years (2010-2011 through 2012-2013). The most recent change in collection percentage is viewed as the best prediction of percent change in subsequent collections. The OAG included estimated lost revenues due to Bill 402 of 2012, which exempts commercial personal properties valued under \$40,000 from taxation.	In deriving the estimates, the OAG considered opinions of City personnel and Michigan State University. Both expect the City's utility users tax revenue to decline in FY 2013-14 & FY 2014-15. We also examined utility users tax revenue data for the last four completed fiscal years (2009-2010 to 2012-2013). The analysis does not include the impact of PLA as requested data was not received at the time of the analysis.	The OAG estimated Other Revenues by analyzing trends and run rates for detailed accounts, and utilized estimates/projections from the Department's Managerial/Finance staff.			
NOTES: OFFICE OF AUDITOR GENERAL									

AUDITOR GENERAL													
Revenue Consensus Estimates and Projection													
GENERAL FUND	OTHER FUNDS												
	Airport	Building & Safety	DDOT	Municipal Parking	Risk Management	Solid Waste							
FY 2014 Estimate	\$ 1,335,428	\$ 23,053,722	\$ 169,532,688	\$ 28,148,868	\$ 51,633,770	\$ 41,437,110	#						
FY 2015 Projection	\$ 1,511,833	\$ 25,359,094	\$ 168,532,688	\$ 33,748,868	\$ 51,136,896	\$ 40,818,974	#						
Methodology:													
	The OAG estimated Enterprise Fund Revenues by analyzing trends and run rates for detailed accounts, and utilized estimates/projections from the Department's Managerial/ Finance staff.	The OAG estimated Enterprise Fund Revenues by analyzing trends and run rates for detailed accounts, and utilized estimates/projections from the Department's Managerial/ Finance staff.	The OAG estimated Enterprise Fund Revenues by analyzing trends and run rates for detailed accounts, and utilized estimates/projections from the Department's Managerial/ Finance staff.	The OAG estimated Enterprise Fund Revenues by analyzing trends and run rates for detailed accounts, and utilized estimates/projections from the Department's Managerial/ Finance staff.									
NOTES: OFFICE OF AUDITOR GENERAL													

BUDGET DEPARTMENT													
Revenue Consensus	Estimates and Projections												
GENERAL FUND													
		<u>Income Tax</u>		<u>State Revenue Sharing</u>		<u>Wagering Taxes</u>		<u>Current Property Taxes</u>		<u>Utility Users Tax</u>		<u>All Other GF Revenues</u>	<u>GF Total</u>
FY 2014 Estimate		\$ 250,000,000		\$ 190,223,476		\$ 170,000,000		\$ 112,100,000		\$ 35,000,000		\$ 198,100,000	\$ 955,423,476
FY 2015 Projection		\$ 258,000,000		\$ 191,000,000		\$ 170,510,000		\$ 98,000,000		\$ 31,500,000		\$ 195,000,000	\$ 944,010,000

NOTES: BUDGET DEPARTMENT													
FY 2013 Income Tax Gross Collections	\$ 267,817,163		State of Michigan-Treasury State Revenue Reports										
Income Tax Refunds	19,013,027												
Net Income Tax Collections	\$ 248,804,136	(a)											
	<u>INCOME TAX</u> Gross Collections through the 1st quarter of FY 2014 is up 6.2% over FY 2013 1st quarter results. 2nd quarter results reflect a 5.9% growth rate. Collection data source is the Income Tax weekly operating reports. This increase continues to reflect an upward trend in income tax collections over the past 4 years. Income Tax Withholding is up 2.3%, Estimated taxes are significantly down by 44% resulting in Net tax collections at October 31 of 1.7% increase over prior year. The MI Senate Fiscal Agency monthly revenue report- November estimates a .01% increase in State income taxes year-to-date; however overall State income tax collections are up 20% due to 2011 changes in the tax laws. Budget FY 2014 estimate reflects a 1% growth rate over FY 2012-13 actual collections. FY 2015 projection includes a 3% growth rate.		<u>STATE REVENUE SHARING</u> The FY 2014 estimate for Revenue Sharing is the amount reported by the State as of the May Revenue Consensus Conference. Budget projection for FY 2015 includes a 2% growth rate on Constitutional only. No growth rate projected for Statutory as amount is subject to State appropriation.		<u>WAGERING TAXES</u> Wagering Tax estimates recognizes downward pressure on revenues resulting from the opening of 4 casinos in Ohio by year-end 2013. Although Detroit's casino revenues have not declined to levels previously speculated by some, we do expect continued negative pressure on revenues in FY 2014. We estimate a (1.6%) growth rate in FY 2014 and (2%) growth rate for FY 2015.		<u>PROPERTY TAXES-CURRENT</u> Finance- Treasury Dept Settlement Report for October 2013 indicates collection activity on pace with the previous fiscal year. It is difficult to estimate property tax collections at this point in the fiscal year due to the impact of Wayne County chargebacks netted against the delinquent accounts revolving fund payment. Preliminary discussions on the Ad Valorem valuations for FY 2014 and beyond indicates a continued decline in taxable values due to market study adjustments to values; increased Wayne County auction activity resulting in increased chargeback action.		<u>UTILITY USERS TAXES</u> UTT revenues as mandated by Emergency Manager Order # 14 are processed by a Trustee- Wilmington Nation Trust. Finance is still waiting for supporting documentation on year-to-date collection activity. Fiscal year-end 2013 collections equalled \$36.9 million. We estimate for both FY 2013 and FY 2014 a similar collection rate. No growth is projected for this revenue.		<u>OTHER REVENUES</u> Includes revenue collection activity for the city's General Fund Departments.		<u>TOTAL GENERAL FUND REVENUES</u> FY 2013 include \$112,361,241 POC transaction revenue. FY 2014 Revised Adopted Budget eliminated the POC double count presentation.

		NOTES: BUDGET DEPARTMENT							
		<u>AIRPORT FUND</u> The FY 2014 Revised Adopted budget includes a General Fund subsidy of \$623,595, an increase of \$348,595 over the prior year. The FY 2013 subsidy was based on the Airport being transferred to an Authority.	<u>BUILDING & SAFETY</u> The FY 2014 Revised Adopted budget include General Fund operations of \$1.8 million for business license revenues. A similar level of revenues is expected from this source for FY 2015 and FY 2016.	<u>DDOT</u> The FY 2014 Revised Adopted budget includes a General Fund subsidy of \$61.7 million, an increase of \$18.7 million	<u>MUNICIPAL PARKING</u> Municipal Parking has both General Fund and Enterprise Fund activity. The Parking Violations Bureau is a General Fund activity and the Auto Parking and Arena System is an Enterprise Activity. In addition, due to bond covenants the General Fund advances the Municipal Parking Department funds for operations that are reimbursed during the fiscal year. For FY 2014 the advance is \$7.3 million.	<u>RISK MANAGEMENT</u> The Risk Management Fund budget consist of a premium payment from the General Fund and DDOT. The General Fund premium payment for FY 2014 was reduced by \$20 million in anticipation of a carryover fund balance of appx. \$30 million from FY 2013.	<u>SOLID WASTE FUND</u> Contract negotiations are under way to out-source the Solid Waste- refuse collection activity to (2) private contractors. This arrangement should begin before the fiscal year 2014 ends. The city will continue to collect the fee from residents and commercial customers and remit payment to the contractor for services provided.		

CITY COUNCIL LEGISLATIVE (FISCAL ANALYST)													
Revenue Consensus Estimates and Projections													
GENERAL FUND													
		<u>Income Tax</u>		<u>State Revenue Sharing</u>		<u>Wagering Taxes</u>		<u>Current Property Taxes</u>		<u>Utility Users Tax</u>		<u>All Other GF Revenues</u>	<u>GF Total</u>
FY 2014 Estimate	\$	243,000,000 (A)	\$	190,223,476	\$	171,000,000	\$	108,200,000	\$	30,800,000 (B)	\$	202,500,000 (C)	\$ 945,723,476
FY 2015 Projection	\$	248,000,000 (B)	\$	194,000,000	\$	162,400,000	\$	99,600,000	\$	29,200,000 (B)	\$	205,000,000 (C)	\$ 938,200,000
NOTES: CITY COUNCIL LEGISLATIVE (FISCAL ANALYST)													
		<u>Income Tax</u>								<u>Utility Users Tax</u>		<u>All Other GF Revenues</u>	
Gross		253,000,000 (A)								30,800,000 (B)		Include Sale of Property	
Ref/Int		18,000,000								12,500,000		FY 2014	
		235,000,000								18,300,000		\$5,300,000 (C)	
Gross		258,000,000 (B)								29,200,000 (B)		FY 2015	
Ref/Int		18,000,000								12,500,000		\$5,300,000 (C)	
		240,000,000								16,700,000			
		2% growth on gross		State website for 2014 and 2% growth		5% lower could be as much as 10%		8% lower based on assessment adjustment				Flat	

[illegible]

Exhibit 3

(List of Documents and Other Materials Considered)

No.	Document Description	ProdBeg	ProdEnd
1	Financial Stability Agreement between the State of Michigan and the City of Detroit (April 2012)	POA00213650	POA00213708
2	Memorandum of Understanding regarding the City of Detroit Reform Program (November 2012)	POA00232576	POA00232590
3	2013)	POA00649726	POA00649769
4	Emergency Manager's Financial and Operating Plan slidedeck (June 2013)	POA00231448	POA00231468
5	City of Detroit's Proposal for Creditors (June 2013)	POA00215882	POA00216015
6	Quarterly Report of the Emergency Manager for the Period April 2013 - June 2013 (July 2013)	POA00111033	POA00111044
7	Emergency Manager's Report (September 2013)	POA00165156	POA00165283
8	Revenue Forecast Memorandum for the Revenue Consensus Conference Prepared by Dr. Scorsone of Michigan State University (October 2013)	POA00002057	POA00002059
9	Income Tax Division's Outstanding Accounts Receivable (October 2013)	POA00676470	POA00676470
10	Quarterly Report of the Emergency Manager for the Period July 2013 - September 2013 (October 2013)	POA00706415	POA00706427
11	City of Detroit Treasury Division's Operational Recommendations (November 2013)	POA00261020	POA00261052
12	Emergency Manager's Operational Restructuring Summary for the Detroit Police Department and Detroit Fire Department (November 2013)	POA00011329	POA00011367
13	Emergency Manager's Operational Restructuring Summary (November 2013)	POA00011368	POA00011495
14	Emergency Manager's Public Lighting Department Update (November 2013)	POA00043902	POA00043916
15	Human Resources Department Technology Assessment (December 2013)	POA00261089	POA00261133
16	Quarterly Report of the Emergency Manager for the Period September 2013 - November 2013 (December 2013)	POA00297491	POA00297543
17	Quarterly Report of the Emergency Manager for the Period October 2013 - December (January 2014)	POA00109594	POA00109608
18	36th District Court Internal Control Procedures Evaluation (February 2014)	POA00105533	POA00105549
19	Financial Advisory Board Mid-Month Report (February 2014)	POA00002053	POA00002053
20	Comparison of Assumptions Underlying the Revenue Consensus and the Plan of Adjustment (February 2014)	POA00002054	POA00002056
21	2014)	POA00002061	POA00002073
22	Graphs Depicting the Results of the Revenue Consensus Conference (February 2014)	POA00002074	POA00002077
23	2014)	POA00002042	POA00002052
24	Draft 10-Year Plan of Adjustment Restructuring and Reinvestment Initiatives Potential Deferral Schedule (February 2014)	POA00369548	POA00369548
25	Financial Advisory Board Finance Subcommittee Meeting Agenda (February 2014)	POA00002060	POA00002060
26	Revenue Consensus Conference Report (March 2014)	POA00318653	POA00318667
27	Quarterly Report of the Emergency Manager for the Period December 2013 - February 2014 (March 2014)	POA00296194	POA00296251
28	Quarterly Report of the Emergency Manager for the Period January 2014 - March 2014 (April 2014)	POA00700417	POA00700433
29	Casino Revenue Summary for the Period July 2007 - June 2008 (May 2014)	POA00261080	POA00261080

No.	Document Description	ProdBeg	ProdEnd
30	Casino Revenue Summary for the Period July 2008 - June 2009 (May 2014)	POA00261081	POA00261081
31	Casino Revenue Summary for the Period July 2009 - June 2010 (May 2014)	POA00261082	POA00261082
32	Casino Revenue Summary for the Period July 2010 - June 2011 (May 2014)	POA00261083	POA00261083
33	Casino Revenue Summary for the Period July 2011 - June 2012 (May 2014)	POA00261084	POA00261084
34	Casino Revenue Summary for the Period July 2012 - June 2013 (May 2014)	POA00261085	POA00261085
35	Casino Revenue Summary for the Period July 2013 - June 2014 (May 2014)	POA00261086	POA00261086
36	Incremental Headcount for the Budget, Finance, and ITS Departments (May 2014)	POA00261087	POA00261087
37	Collection of Department Memoranda to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261401	POA00261422
38	Municipal Parking Department Memorandum to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261396	POA00261400
39	Department of Health Memorandum to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261353	POA00261353
40	Updated Schedule of Department Memoranda to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261434	POA00261434
41	Fire Department Memorandum to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261563	POA00261564
42	Buildings, Safety Engineering & Environmental Department Memorandum to Mayor Duggan on the Plan of Adjustment	POA00261559	POA00261560
43	Department of Administrative Hearings Memorandum to Mayor Duggan on the Plan of Adjustment (May 2014)	POA00261561	POA00261562
44	Draft FSA Report of General Fund Budget-to-Actual Revenues and Expenditures for the Year-to-Date Ended March 31, 2014	POA00700435	POA00700435
45	Draft Report of General Fund Budget-to-Actual Revenues and Expenditures for the Year-to-Date Ended March 31, 2014 (May	POA00700434	POA00700434
46	Narrative Analysis of the Report of General Fund Budget-to-Actual Revenues and Expenditures for the Year-to-Date Ended March 31, 2014 (May 2014)	POA00700410	POA00700415
47	Comparison of the Plan of Adjustment and Budget for Fiscal Year 2015 (May 2014)	POA00369566	POA00369566
48	Draft 2013 Comprehensive Annual Financial Report - Version 1 (June 2014)	POA00531266	POA00531512
49	Project Tracking List for the Office of the CFO (June 2014)	POA00700416	POA00700416
50	General Fund Actual Cash Flow for Fiscal Years 2012 and 2013 (June 2014)	POA00369547	POA00369547
51	Summary of Restructuring Projects for Fiscal Years 2015 - 2017 (June 2014)	POA00539288	POA00539290
52	Comparison of the Plan of Adjustment and Budget for Fiscal Years 2015 - 2017 (June 2014)	POA00556121	POA00556123
53	Short Biography of John Hill (June 2014)	POA00706870	POA00706870
54	Emergency Manager Order No. 27 Establishing Grants Management Department (June 2014)	POA007066871	POA00706873
55	10-Year Plan of Adjustment Restructuring and Reinvestment Initiatives Bridge (June 2014)	POA00706448	POA00706448
56	2014)	POA00706601	POA00706602
57	Cost Savings by Fiscal Year - Version 1 (July 2014)	POA00706882	POA00706884
58	Cost Savings by Fiscal Year - Version 2 (July 2014)	POA00706885	POA00706887

No.	Document Description	ProdBeg	ProdEnd
59	Revenue Initiatives by Fiscal Year (July 2014)	POA00706888	POA00706889
60	36th District Court General Fund Plan of Adjustment versus Triennial Budget and Court-Generated Revenue Comparison	POA00706868	POA00706869
61	City of Detroit 2012 Comprehensive Annual Financial Report (June 2012)	POA00664324	POA00664568
62	Draft 2013 Comprehensive Annual Financial Report - Version 2 (June 2014)	pending	pending
63	Reports regarding the creation of the Grants Management Office and the status of its creation	pending	pending
64	Audit reports related to the City's Grant Management program from various sources	pending	pending

Exhibit 4

(C.V. of Mr. John Hill)

John W. Hill

Short Bio

Updated June 2014

John W. Hill is the Founder and Chief Executive Officer of JHill Group, a limited liability consulting corporation formed in late 2012. Since November of 2013 Mr. Hill has served as Chief Financial Officer for the City of Detroit working with the state appointed Emergency Manager. Mr. Hill has more than three decades of experience in financial management, organizational design and development, and strategic business planning. Mr. Hill has a proven track record leading high-performing organizations across diverse industries, comprising government, non-profit and for-profit entities. In addition to currently leading his independent consulting practice and serving as CFO for the city of Detroit Michigan, Mr. Hill served for eight years as Chief Executive Officer of The Federal City Council, a not-for-profit, non-partisan organization dedicated to the improvement of Washington, DC. Mr. Hill also previously served as the Chief Executive Officer of In2Books, Inc., a Partner with Andersen, LLP, Executive Director of the DC Financial Control Board and as Director of Audits in Marriott Corporation's Internal Audit Division, among other financial leadership positions.

Mr. Hill was elected to the Board of CoStar Group, Inc. in 2012 where he now serves as Chairman of the Audit Committee. Mr. Hill also serves as a Trustee of Chesapeake Lodging Trust Corporation where he chairs the Compensation Committee, is a member of the Audit Committee and a member of the Trustees Committee. Previously, Mr. Hill served on the Board of Directors and was a member of the Audit and Compensation Committees for Highland Hospitality, Inc. He also has served in board leadership positions with a number of public government-related and non-profit organizations in the Washington, DC region including currently serving as President of the Board of the National Minority Aids Council, President of the DC Public Library Board of Trustees and Treasurer of the DC Shakespeare Theatre Board of Trustees.

John W. Hill
1515 O ST NW #404
Washington, DC 20005
Cell: (202) 255-5641 Email: jhill@jhillgroup.com

Summary of Professional Expertise
Profit, Government, and Non-profit Organization Leadership

Successful leader of high-performing organizations across diverse industries. Builder of strong and lasting professional relationships at the CEO and COO levels. Change agent in government, non-profit and for profit organizations. Strong financial audit, financial reporting, communications, strategy, negotiation and consensus building skills. Results oriented. Areas of expertise:

Executive Level Decision Making
Financial Management and Reporting
Performance Management
Organizational Design & Development
Government Operations

Strategic Business Planning
Organizational Stability
Change Leadership
Reengineering & Continuous Improvement
Congressional Oversight

PROFESSIONAL EXPERIENCE:

J Hill Group
Founder & CEO

September 2012- Present

Recently begun a consulting practice specializing in financially distressed cities, financial management and report and performance management. Considered an expert on government operations and able to provide a wide range of management assistance in the areas of organizational structure, financial management and budget, reengineering and systems development to a variety of clients. Specializing in corporate and board governance issues. An active member of the board of directors of two public companies and seeking opportunities to serve in similar capacities on other public company boards; currently serving on the audit committee and designated as an outside financial expert and chairing the compensation committee.

Federal City Council
Chief Executive Officer

August 2004 - August 2012

Led this 58 year old non-profit, non-partisan organization dedicated to the improvement of the Nation's Capital. The Federal City Council is composed of and financed by over 200 top business, professional, educational, and civic leaders. The Council focuses on major problems facing the Nation's Capital by providing the professional expertise of its members and working with other civic and government leaders at all levels of government to address fundamental structural improvements in the City's economic, physical, and social welfare systems. As CEO, responsible for developing and maintaining relationships with members (CEO's of Major Companies) to support the planning and execution of the Council's work plan, working directly with elected and appointed city leadership and setting a course for the council to follow over the next decade. Successfully completed the 2011 strategic planning effort that resulted in a the first new strategic plan in 10 years, new governance structure, and a focus on membership engagement on issues of greatest importance to the District of Columbia.

In2Books, Inc., Washington DC
Chief Executive Officer

July 2002 - July 2004

Led this innovative 501(c) (3) which is a comprehensive literacy program that directly aligns with the literacy requirements of federal legislation, emphasizing higher level thinking, reading, and writing in authentic literacy contexts, through a combination of intriguing books, suggested complementary classroom literacy activities, correspondence between the children and adult volunteer pen pals, and embedded quality professional development for teachers. Organization operated as a start-up with structure similar to for profit venture. Led organization to meet requirement for contributions from the public to meet IRS public support test. Significantly reduced turnover among organization's staff. Doubled size of the program to 5,000 students, 300 teachers and 2,000 corporate pen pals. Implemented new organization to meet the ever-changing needs of In2Books for highly skilled employees. Interfaced with corporation, local government and other non profit official to enable In2Books to expand its service. Successfully implemented pilot program in first city outside of the District of Columbia. Built national infrastructure to support rapid expansion to other cities.

Andersen, LLP, Washington, DC
Partner-in-Charge, National State and Local
Government Practice
Office of Government Services

May 1999 - June 2002

Admitted to Partnership September 1, 2000. Led the National State and Local Government Services Industry Team. Also headed the Finance and Business solutions vertical for Federal and State and Local Governments. Considered an expert on state and local government operations and was called upon by other partners in the firm to assist with their engagements. Provided a wide range of management assistance in the areas of organizational structure, financial management and budget, reengineering and systems development to clients at the federal, state, and local levels of government, including universities and colleges.

District of Columbia Financial Responsibility and
Management Assistance Authority (Financial Control Board)
Executive Director

June 1995 - May 1999

Served as Executive Director for the DC Financial Control Board. The Congress of the United States established the DC Control Board in 1995 to return the District of Columbia to fiscal solvency, regain access to the credit markets, implement new financial and management systems, improved the delivery of services to the residents, businesses and visitors, and recommend changes to the relationship between the District and the Federal Government.

Responsible for working closely with presidentially appointed control board members on developing and implementing the Board's strategic plan, supervising the day-to-day activities of the Board and its staff and working closely with Congress and District Officials to accomplish the goals of the Act that created the Board. Provided the interface with the financial markets on "Wall Street" to renegotiate debt and later provide additional capital. Reviewed and approved all financial disclosure statements in conjunction with open market borrowing. Due to the District's inability to initially gain the results required, the control board assumed management of the DC Public Schools and the Metropolitan Police Department. In August 1997 Congress required the Control Board to perform comprehensive management reform reviews of the other (nine) largest agencies and four cross-government functions (Information Technology, Personnel, Procurement, Asset Management) as well as day-to-day operations of the respective agencies. As a result of the actions the District made substantial progress toward regaining its financial security and improving service delivery. The District balanced its budget for four consecutive years earlier than the Act required which led to the early retirement of the Control Board and was able to access the credit markets at investment grade ratings. Improvements were achieved in budgeting, financial reporting, performance measurement, relationships with federal government, performance standards for District employees, and the elimination of thousands of unneeded positions.

United States General Accounting Office
Senior Executive Service
Director, Financial Analysis and Audit Assistance Group

Nov 1985 - June 1995

Directed a group created to provide assistance to federal agency Chief Financial Officers in their implementation of the Chief Financial Officers Act. In this capacity, worked directly with agency chief financial officers and their staffs to help them understand and implement the requirements of the Act. GAO's chief witness before the Congress on all matters relating to the review of the District Government's finances. Regularly met with Congresspersons and their staffs to explain the financial issues facing the District. Contributed to the creation of the DC Financial Control Board. Earlier in 10-year career with GAO, served as the Associate Director for Food and Agriculture Issues. Directed the first financial statement audits of any major federal agency (General Services Administration, the US Department of Agriculture, and the Veterans' Administration). In addition, served as Associate Director for Transportation Issues. Frequently testified before the U.S. Congress on Agriculture and Transportation Issues.

Coopers & Lybrand, LLP, Baltimore, MD
General Practice Manager

1983 - 1985

Planned, organized and administered the audits of engagements for both SEC registrants and non-public companies. Specialized in auditing companies in the financial services and manufacturing industries.

Marriott Corporation, Bethesda, MD
Corporate Internal Audit
Director of Audits

1981 - 1983

Directed all of Marriott's internal audit activities of its worldwide hotel and cruise ship business lines. These audits were done at the unit, regional, and corporate levels, including both domestic and international activities. Directed training program for Corporate Internal Audit Group. Created a new approach to audits of hotels called the business approach to auditing which saved the company millions of dollars in its first year of implementation.

Price Waterhouse & Co., Washington, DC
Audit Manager

1978 - 1981

Coordinated various audit engagements for both profit and not-for-profit organizations. Specializing in international organizations, and non-profits.

Coopers & Lybrand, LLP, Baltimore, MD
Audit Supervisor

1976 - 1978

Coordinated various audit engagements for both SEC registrants and non-public companies specializing in banking, brokerage and insurance industry as well as manufacturing.

BOARD APPOINTMENTS:

Public Companies

- Chesapeake Lodging Trust, Independent Trustee, Chairman Compensation Committee, member of audit committee
- Highland Hospitality Inc, Past Independent Trustee, member of audit committee and compensation committee

Government Related Entities

- DC Community College Independence Task Force, Member
- DC Public Library Board of Trustees, President
- DC CFO's Audit Advisory Committee, Member
- DC Children and Youth Investment Trust Corporation, Past Chairman
- Mayor's Blue Ribbon Commission to Revitalize DC Public Library, Past Vice Chairman
- Past service on Mayor's Blue Ribbon Commission on Child Safety and Juvenile Justice and past chair of Mayor's Blue Ribbon Commission to Review the Sports Commission.

Not For Profit Organizations

- DC Shakespeare Theatre Board, Treasurer and Chairman of Finance Committee
- National Minority Aids Council, Chairman
- Step Afrika! Board, Member

EDUCATION: **B.S. Accounting**
 University of Maryland, College Park, MD

**PREVIOUS
PROFESSIONAL**

CERTIFICATION: **Certified Public Accountant (CPA), Certified Government Financial Manager (CGFM)**